

Civil rights organization; employment in construction trades. A nonprofit organization formed to eliminate discrimination against members of minorities seeking employment in the construction trades by recruiting, educating, and counseling workers, providing technical assistance to attorneys involved in suits to enforce workers' rights, and acting as court-appointed monitor after successful suits, is organized and operated exclusively for charitable and educational purposes.

The Internal Revenue Service has been asked whether the nonprofit organization described below, which otherwise qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954, is organized and operated exclusively for charitable and educational purposes.

The organization was formed to eliminate discrimination against members of minority groups seeking employment in the construction trades. It seeks to accomplish this purpose by: (1) educating workers as to their rights under Federal and state law, primarily Title VII of the Civil Rights Act of 1964 which prohibits discrimination on the basis of race, color, religion, sex, or national origin by employers, unions, and employment agencies; (2) recruiting and educating members of minority groups to further their efforts in obtaining entry into apprenticeship programs; (3) conducting investigations into employment practices to discover patterns of racial discrimination on the part of employers and labor unions; (4) counseling workers as to their right to file complaints pursuant to Title VII; (5) providing technical assistance and instruction to attorneys involved in pursuing Title VII suits; and (6) serving as a court-appointed organization to monitor labor unions' and employers' compliance with successful Title VII actions. The organization does not initiate litigation itself, or provide legal representation.

Membership includes construction workers, attorneys, ministers, and community leaders. Funding consists primarily of grants and contributions. A contract with the Equal Employment Opportunity Commission provides funding for educating workers as to their rights under Title VII. The organization does not charge for its services, and does not restrict its services only to members.

The organization does not engage in political or legislative activities.

Section 501(c)(3) of the Code provides for exemption from Federal income tax of organizations organized and operated exclusively for charitable or educational purposes.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations defines the term 'charitable' as including the promotion of social welfare by organizations designed to eliminate prejudice and

discrimination.

Section 1.501(c)(3)-1(d)(3) of the regulations defines the term 'educational' as including the instruction of the public on subjects useful to the individual and beneficial to the community.

By educating members of minority groups as to their rights under Title VII of the Civil Rights Act of 1964, including the filing of complaints, and instructing attorneys on how to file and pursue Title VII suits, the organization is instructing the public on subjects useful to the individual and beneficial to the community. By investigating patterns and practices of discrimination, recruiting and educating members of minority groups to further their efforts in obtaining entry into apprenticeship programs, and providing assistance to the Federal government in monitoring compliance with successful Title VII suits, the organization is attempting to eliminate prejudice and discrimination in a charitable manner. See Rev. Rul. 68-70, 1968-1 C.B. 248, and Rev. Rul. 72-228, 1972-1 C.B. 148, for examples of organizations that qualify under section 501(c)(3) of the Code by virtue of being designed to eliminate prejudice and discrimination and instruct the public.

Under these circumstances, any personal benefit derived by a member does not detract from the charitable purpose of the organization nor lessen the public benefit flowing from its activities.

Accordingly, the organization is organized and operated exclusively for charitable and educational purposes, and, since it otherwise qualifies, is exempt from Federal income tax under section 501(c)(3) of the Code.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1023, Application for Recognition of Exemption, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. The application should be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization. See sections 1.501(a)-1 and 1.508-1(a) of the regulations.